

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

Amendment No. 1 to SB2332

**McNally
Signature of Sponsor**

AMEND Senate Bill No. 2332

House Bill No. 2348*

by inserting the following new language between the caption and the enacting clause:

WHEREAS, Article II, Section 24 of the Constitution of the State of Tennessee limits the annual rate of growth of appropriations from state tax revenues to the rate of growth in the state's economy unless specific legislation is enacted that permits the limit to be exceeded, and

WHEREAS, for the fiscal year ending June 30, 2007, based upon the proposed budget, the general appropriations act and the method of calculating the limitation that has been in use for several years, the constitutional spending limitation will be exceeded, and

WHEREAS, the general assembly recognizes that for the fiscal years ending June 30, 2007 and June 30, 2008, it is proposed that an amount of state tax revenues greater than the amount by which the limitation will be exceeded will be allocated to the reserve for revenue fluctuations (the "Rainy Day Fund") and, as such, may not be appropriately treated as appropriations for purposes of calculation of the limitation; and

WHEREAS, the state funding board has indicated that it will convene a working group to thoroughly analyze the way in which the constitutional spending limitation is calculated and make recommendations to the second regular session of the 105th general assembly on needed revisions to the process if necessary; now, therefore,

AND FURTHER AMEND by deleting Section 1 in its entirety and substituting instead a new Section 1 to read:

SECTION 1. Tennessee Code Annotated, Section 9-4-5203(e), is amended by adding the following language as a new, appropriately designated subdivision:

() The index of appropriations from state tax revenues for the 2006-2007 fiscal year may exceed the index of estimated growth in the state's economy by forty-six million dollars (\$46,000,000) or thirty-nine hundredths of one percent (0.39%).

